

December 10, 2002

To: Supervisor Yvonne Brathwaite Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

## **STATE LEGISLATIVE UPDATE**

### **State Budget Update**

#### ***Budget Hearings to be Held Around the State***

The Assembly Budget Committee will hold an overview hearing in Sacramento on Monday, December 16, 2002 on the budget reductions recently proposed by the Governor. Representatives from the Department of Finance and the Legislative Analyst's Office are expected to make presentations. The time has not been announced.

Budget subcommittees will hold three hearings on Tuesday, December 17, 2002, all at 1:00 p.m.: in Los Angeles on health and human services; in San Diego on the environment; and in Sacramento on state employees. Two additional subcommittee hearings will be held on Wednesday, December 18, 2002 at 1:00 p.m. in San Jose on education and child care, and at 3:00 p.m. in Oakland on transportation and information technology. Locations have not been announced, and hearing agendas are not yet available.

It is unclear if the Senate will hold similar hearings.

### ***Governor Suspends Transfer of Sales Tax on Gasoline to Transportation***

Using the authority provided under Proposition 42, the Governor took the first step to suspend the 2003-04 transfer of \$1 billion of general fund revenue from the sales tax on gasoline to the Transportation Investment Fund, by issuing a proclamation on December 9, 2002 declaring that the transfer "will result in a significant negative impact on the General Fund." The transfer, begun in 2000 as part of a budget compromise, was made permanent in a constitutional amendment approved by the voters in the March 2002 election. In addition to the Governor's declaration, the Legislature must enact by a two-thirds vote a statute formally suspending the transfer for that fiscal year.

### ***Senator Romero Plans to Reintroduce Alcohol Fee Bill***

As previously reported, on Thursday, December 12, 2002 at 10:30 a.m. Senator Gloria Romero will hold a press conference at White Memorial Hospital to announce the reintroduction of the Alcohol-Related Emergency Services Reimbursement Act of 2003 (a copy of the press release is attached). This measure would impose a \$0.05 per drink fee on alcoholic beverages distributed in California. It is expected to generate \$700 million annually, which would be distributed to local emergency medical services providers, including emergency rooms, trauma centers and medical professionals. As in past years, stiff opposition is expected from the alcohol industry.

Senator Romero is requesting Board representation at the press conference.

We will continue to keep you advised.

DEJ:GK  
MAL:JR:ib

#### **Attachment**

c: Executive Officer, Board of Supervisors  
County Counsel  
Local 660  
All Department Heads  
Legislative Strategist  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants